

AMENDED IN SENATE JUNE 26, 2013

AMENDED IN ASSEMBLY MAY 8, 2013

AMENDED IN ASSEMBLY APRIL 2, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1079

**Introduced by Assembly Member Bradford
(Principal coauthor: Assembly Member Bocanegra)
(Coauthor: Assembly Member V. Manuel Pérez)**

February 22, 2013

An act to add Sections 7083.1, 7083.2, and 63045.1 to the Government Code, relating to ~~enterprise zones~~ *economic development*.

LEGISLATIVE COUNSEL'S DIGEST

AB 1079, as amended, Bradford. ~~Enterprise zones~~: *Economic development: energy management area and plans.*

The Enterprise Zone Act provides for the designation of zones according to specified criteria, pursuant to which certain entities within each zone may receive regulatory, tax, and other incentives for economic and employment development and private investment.

This bill would ~~amend the Enterprise Zone Act to~~ authorize a city, county, or city and county to *collaborate with an electrical or gas corporation, local publicly owned electric utility, or rural electric cooperative to designate an energy management area, as specified. The bill would authorize a city, county, or city and county to propose one or more energy management plans, developed jointly with an electrical corporation, gas corporation, local publicly owned electric utility, or rural electric cooperative, serving an enterprise zone other than an area within a harbor or port district formed pursuant to specified law, energy*

management area, in order to reduce air emissions and to promote economic development, the addition of new business, and the retention of existing businesses in that ~~enterprise zone~~ *energy management area*. The bill would require the Public Utilities Commission, if the city, county, or city and county has developed jointly with an electrical or gas corporation one or more plan elements that involve special programs to be offered to the ~~enterprise zone~~ *energy management area* and administered by the electrical or gas corporation to facilitate economic development, to provide expedited review of the proposed jointly developed elements. The bill would require the commission to encourage electrical or gas corporations to participate jointly with local agencies in developing, implementing, and administering viable energy management plans for ~~enterprise zones~~ *energy management areas*, and would prohibit the commission from limiting the role of the electrical or gas corporation that was cooperatively developed in the energy management plan. ~~This~~ *The* bill would require the city, county, or city and county to report the progress of the plan implementation in its biannual report to the Department of Housing and Community Development, as provided.

Under the Bergeson-Peace Infrastructure and Economic Development Bank Act, the California Infrastructure and Economic Development Bank is established within state government for the purpose of funding specified types of infrastructure development projects.

~~The~~

This bill would make a project, to promote economic development in ~~enterprise zones~~ *energy management areas* developed pursuant to an energy management plan in accordance with the bill, eligible for funding through the bank. The bill would require the bank to consider acts it may take, at its discretion, that facilitate the financing of that project.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 7083.1 is added to the Government Code,
- 2 to read:
- 3 7083.1. The Legislature finds and declares all of the following:
- 4 (a) The state should encourage the development of new
- 5 businesses and the retention of existing businesses within ~~enterprise~~

1 ~~zones~~ *economically distressed and high-tech industrial and*
2 *commercial areas.*

3 (b) Energy utility customers can benefit from the addition of
4 new business and the retention of existing business through
5 increased energy cost certainty.

6 (c) Businesses in ~~enterprise zones~~ *economically distressed and*
7 *high-tech industrial and commercial areas* could benefit through
8 greater stability and certainty in the cost of energy services.

9 (d) Investor-owned utilities and publicly owned utilities are in
10 an optimal position, and should be encouraged to engage in joint
11 projects with ~~government administering enterprise zones, local~~
12 ~~governments~~ to provide and administer energy-related service
13 alternatives and programs that can promote economic development
14 and retention in ~~enterprise zones~~ *economically distressed and*
15 *high-tech industrial and commercial areas.*

16 SEC. 2. Section 7083.2 is added to the Government Code, to
17 read:

18 ~~7083.2. (a) A city, county, or city and county may propose~~

19 7083.2. (a) *A city, county, city and county, or other local*
20 *government agency may collaborate with an electrical or gas*
21 *corporation, local publicly owned electric utility, or rural electric*
22 *cooperative to designate an energy management area for which*
23 *an energy management plan would assist with either the*
24 *stimulation of development to revive the local economy or local*
25 *manufacturing of the final product of research and development*
26 *efforts.*

27 (b) *In designating an energy management area, a city, county,*
28 *city and county, or other local government agency, in collaboration*
29 *with the electrical or gas corporation, local publicly owned electric*
30 *utility, or rural electric cooperative, may consider one or more of*
31 *the following elements:*

32 (1) *Existing industry and commerce.*

33 (2) *Potential for industrial and commercial growth.*

34 (3) *Manufacturing presence and potential for manufacturing*
35 *growth.*

36 (4) *High frequency of businesses liquidating or moving out of*
37 *the area, or both.*

38 (5) *Median household income equal to or less than 65 percent*
39 *of the statewide median.*

1 (6) *High level of crime as documented by the Automated*
2 *Regional Justice Information System.*

3 (7) *Existing high-tech and bioscience industry and the potential*
4 *for growth in this area.*

5 (c) *For purposes of this section, “energy management area”*
6 *means a geographic area designated by a city, county, city and*
7 *county, or other local government agency to implement an energy*
8 *management plan pursuant to this section.*

9 (d) *A city, county, or city and county may propose one or more*
10 *energy management plans, developed jointly with an electrical*
11 *corporation, gas corporation, or local publicly owned electric*
12 *utility, as defined in the Public Utilities Code, or a rural electric*
13 *cooperative, serving an enterprise zone other than an area within*
14 *a harbor or port district formed pursuant to Division 8*
15 *(commencing with Section 5800) of the Harbors and Navigation*
16 *Code, in order to reduce air emissions and to promote economic*
17 *development, the addition of new businesses, and the retention of*
18 *existing businesses in that enterprise zone energy management*
19 *area.*

20 (b)

21 (e) *The energy management plan shall include, at a minimum,*
22 *the following:*

23 (1) *An assessment of current energy consumption within the*
24 *zone energy management area by energy source and type of users.*
25 *Examples of users may include commercial, industrial,*
26 *governmental, individual transport, and product transport.*

27 (2) *In addition to other energy efficiency and management issues*
28 *that the city, county, or city and county, decides to assess in order*
29 *to inform the development of specific goals and actions that reduce*
30 *air emissions and promote economic development, all of the*
31 *following:*

32 (A) *An electric or natural gas load forecast, developed in*
33 *coordination with the serving electrical corporation, gas*
34 *corporation, or local publicly owned electric utility, or rural electric*
35 *cooperative, that reflects anticipated load growth within the*
36 *enterprise zone energy management area.*

37 (B) *Consideration of the role that distributed generation,*
38 *combined with accurately priced utility services, could play in*
39 *providing greater rate stability and energy cost certainty to aid in*
40 *economic development, and proposed actions with respect to that*

1 role. This assessment shall be developed jointly with the serving
2 electrical corporation, gas corporation, local publicly owned electric
3 utility, or rural electric cooperative.

4 (C) An assessment, in consultation with business and industry,
5 to identify current and emerging processes and technologies that
6 reduce energy consumption and improve energy efficiency.

7 (3) A set of measurable energy performance and management
8 goals that reduce air pollution and promote economic development,
9 and a prioritized list of infrastructure projects, public education
10 initiatives, and other actions that the city, county, or city and county
11 will undertake to achieve those goals. In addition to these projects
12 and actions, the plan shall include:

13 (A) Proposed actions, developed jointly with the serving
14 electrical corporation, gas corporation, local publicly owned electric
15 utility, or rural electric cooperative, for the enhanced use of
16 cost-effective energy efficiency and demand-side management in
17 existing buildings and the inclusion of energy efficiency measures
18 as part of the development of new buildings.

19 (B) Proposed actions, developed jointly with the serving
20 electrical corporation, natural gas corporation, local publicly owned
21 electric utility, or rural electric cooperative, for the development
22 of infrastructure, in appropriate areas, to aid in the refueling of
23 alternative fuel vehicles, including utility ownership or operation
24 of those facilities to provide services to the community.

25 (C) Other actions and associated utility services to implement
26 the jointly developed energy management plan.

27 (4) An identification of government and nongovernment
28 impediments to implementing the plan and recommendations on
29 how these impediments may be overcome.

30 (5) One-year, three-year, five-year, 10-year, and 15-year
31 objectives for implementing the plan. These objectives shall be in
32 sufficient detail to allow the district to undertake a meaningful
33 annual review of the plan's progress.

34 (6) (A) Proposed methods to fund the activities included in the
35 plan, including funding through utility ratepayer-funded programs
36 and financing through the California Infrastructure and Economic
37 Development Bank established pursuant to Division 1
38 (commencing with Section 63000) of Title 6.7, the California
39 Alternative Energy and Advanced Transportation Financing

1 Authority established pursuant to Section 26004 of the Public
2 Resources Code, or other appropriate sources.

3 (B) A city, county, or city and county shall engage with ~~zone~~
4 *energy management area* residents, businesses, as well as small
5 business technical assistance providers to assist in the identification
6 of joint or collaborative energy efficiency project opportunities,
7 public education activities, and financing opportunities that
8 implement the actions and projects in the plan.

9 (7) The consideration of other related energy plans, mandates,
10 and requirements, and, to the extent possible, means for leveraging
11 opportunities for achieving energy efficiency and sustainable
12 energy production while also not overburdening impacted
13 businesses.

14 (e)

15 (f) (1) If the city, county, or city and county has developed
16 jointly with an electrical or gas corporation one or more plan
17 elements that ~~involves~~ *involve* special programs to be offered in
18 the ~~enterprise zone~~ *energy management area* and administered by
19 the electrical or gas corporation to facilitate economic development,
20 including, but not limited to, energy efficiency, the use of biogas
21 for direct injection into common carrier pipelines, economic
22 development rates, distributed generation, energy storage, and
23 alternative fuel vehicle infrastructure, the Public Utilities
24 Commission shall provide expedited review of the proposed jointly
25 developed elements.

26 (2) The Public Utilities Commission shall encourage electrical
27 or gas corporations to participate jointly with local agencies in
28 developing, implementing, and administering viable energy
29 management plans for ~~enterprise zones~~, *energy management areas*,
30 and shall not limit the role of the electrical or gas corporation that
31 was cooperatively developed in the energy management plan. The
32 governing boards of local publicly owned utilities and rural electric
33 cooperatives shall encourage joint participation with local agencies
34 and gas corporations in developing, implementing, and
35 administering viable energy management plans for ~~enterprise zones~~
36 *energy management areas*.

37 (d)

38 (g) The energy management plan shall consider the development
39 of projects that provide greater certainty of energy costs over a
40 period of up to 15 years for businesses developing in the ~~enterprise~~

1 ~~zone~~ *energy management areas* and shall consider applying to the
2 California Infrastructure and Economic Development Bank for
3 financial support of those projects under Section 63045.1.

4 (e)

5 (h) In approving the plan, the city, county, or city and county
6 shall make a finding that there is an equitable distribution of costs
7 and benefits of projects and actions proposed in the plan.

8 (f)

9 (i) The city, county, or city and county shall report the progress
10 of the plan implementation in its biannual report to the Department
11 of Housing and Community Development pursuant to Section
12 7085.1 of the Government Code.

13 (j) *The act adding this subdivision, establishes state policy on*
14 *energy management plans and, shall not change any prior*
15 *regulation or regulatory decision.*

16 SEC. 3. Section 63045.1 is added to the Government Code, to
17 read:

18 63045.1. A project to promote economic development in
19 ~~enterprise-zones~~ *energy management areas* developed pursuant to
20 an energy management plan in accordance with Section 7083.2
21 shall be eligible for funding under this division. The bank shall
22 consider acts it may take, at its discretion, that facilitate the
23 financing of that project.